

## Message Text

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C O N F I D E N T I A L MANAGUA 0788

E. O. 11652: GDS

TAGS: ELAB, NU

SUBJECT: SECOND WEEK OF CONSTRUCTION STRIKE

1. FEBRUARY 23 NICARAGUAN CHAMBER OF CONSTRUCTION (CNC) ISSUED COMMUNIQUE STATING ITS POSITION ON CONSTRUCTION WORKERS' STRIKE WHICH BEGAN FEBRUARY 12 (MANAGUA 0632). MODIFYING ITS ORIGINAL NO-WAGE-INCREASE STAND, CHAMBER OFFERED 10 PERCENT ACROSS THE BOARD SALARY HIKE, BUT SCAAS, THE COMMUNIST CONTROLLED CONSTRUCTION WORKERS UNION, IS STILL HOLDING OUT FOR 60 PERCENT. TALKS BETWEEN CNC AND SCAAS WERE INITIATED LAST WEEK AND ANOTHER NEGOTIATING SESSION WILL BE HELD FEBRUARY 27 AFTER SCAAS HOLDS GENERAL ASSEMBLY TO DISCUSS UNION'S POSITION. MINISTRY OF LABOR HAS REPRESENTATIVE PARTICIPATING IN NEGOTIATIONS AS CONCILIATOR.

2. EFFECTIVENESS OF STRIKE HAS BEEN MIXED. CNC'S PRINCIPAL NEGOTIATOR, GUSTAVO TIJERINO MEDRANO, TOLD EMBOFF THAT IN MANAGUA SOME SMALL SITES WORKING AT FULL CAPACITY WHILE LARGER FIRMS HAVE ONLY ABOUT 20 PERCENT OF WORK FORCE ON THE JOB. NEWSPAPER IN LEON REPORTS THAT SCAAS LOCAL THERE HAS JOINED STRIKE, AND LOCAL IN CHINANDEGA IS ALSO EXPECTED TO WALK OUT.

3. TIJERINO ATTRIBUTES TIMING OF STRIKE (ONLY FIVE MONTHS BEFORE EXPIRATION OF CONTRACT) TO SCAAS RECOGNITION THAT NUMEROUS CONSTRUCTION WORKERS -- PERHAPS AS MANY AS 6,000 -- WILL BE LET GO IN COMING MONTHS WITH COMPLETION OF LARGE NATIONAL HOUSING

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INSTITUTE (INVI) PROJECTS FOR REPAIRING EARTHQUAKE DAMAGED

HOUSES. SCAAS ACCORDING TO TIJERINO ATTEMPTING TO OBTAIN INCREASED BENEFITS BEFORE CONSTRUCTION INDUSTRY SUBSTANTIALLY REDUCES LEVEL OF ACTIVITY -- WHILE COMPANIES HAVE LARGE ONGOING PROJECTS AND BEFORE ACTIVE MEMBERSHIP OF SCAAS REDUCED BY LAYOFFS. TIJERINO SEES SCAAS AT DEFINITE NEGOTIATING DISADVANTAGE COMPARED TO SITUATION EXISTING DURING THE TWO 1973 CONSTRUCTION STRIKES WHEN LABOR WAS IN HIGH DEMAND. STILL HE IS UNABLE TO PREDICT HOW LONG STRIKE WILL LAST SAYING CNC UNSURE HOW LONG WORKERS CAN HOLD OUT AND DOES NOT DISCOUNT POSSIBILITY THAT SCAAS MAY WISH TO PROLONG STRIKE FOR POLITICAL REASONS.

4. COMMENT: WITH CENSORSHIP, MEDIA REPORTING ON THE CONSTRUCTION STRIKE HAS BEEN LIMITED AND VERY LOW KEY. PARTIALLY AS RESULT OF LACK OF INFORMATION, GENERAL INTEREST IN THE STRIKE COMPARED TO THAT OF THE TWO MAJOR CONFRONTATIONS IN 1973 SEEMS AT A VERY LOW LEVEL. MOST OBSERVERS REGARD THE SCAAS WALK-OUT IN ECONOMIC TERMS, I.E. AN ATTEMPT TO WREST BETTER CONDITIONS OUT OF THE CNC BEFORE SCAAS'S CLOUT IS REDUCED BY AN INDUSTRY-WIDE CUTBACK, THAN AS AN OPENING POLITICAL MANEUVER TO RALLY OPPOSITIONAZQAINST THE GOVERNMENT. THE GON FOR ITS PART -- DESPITE A LABOR MINISTRY OFFICIAL'S PARTICIPATION IN THE CNC-SCAAC NEGOTIATIONS -- IS PRETTY MUCH STAYING ON THE SIDELINES IN THE DISPUTE.  
SHELTON

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